

Activity Title:

Transit Authority Study

Activity Purpose and Overview:

The purpose of this recommended MMT activity is to complete research on the potential benefits of establishing an area-wide transit authority for the greater Lincoln area.

The transit authority would have responsibility for providing public transportation services within a defined geographic area, potentially including the City of Lincoln and Lancaster County. Presumably such an authority would take over the present StarTran operation and provide public transportation services under a reconstituted administrative structure no longer a direct part of the City of Lincoln.



This work activity would involve conducting a formal written analysis to assess the viability, benefits, and costs of establishing a local “transit authority” to replace StarTran. This analysis would include carrying out a public review process to obtain community reaction to the concept. One key component of this analysis would be to look at the legal status of a transit authority to determine what additional State authorization may be needed to create such a public entity for the Lincoln area.

Activity Description:

Nebraska State Statutes (Neb. Rev. State. 14-1801, et. Seq.) currently provide for the creation of “transit authorities” – but only for cities and counties of the “metropolitan class.” At the present time, only the City of Omaha (and by Statute adjacent counties and cities) is classified as a city of the “metropolitan class,” and thus is the only jurisdiction in the State authorized to create and operate a “transit authority.”

Under the provisions and guidelines set forth in this legislation, the City of Omaha and the surrounding jurisdictions have created “Metro Area Transit,” or MAT. MAT began operating service to Omaha and Council Bluffs, Iowa, on July 1, 1972 and remains the area’s

prime transit operator. Service contracts have since been added over the years to include such communities as Bellevue, Ralston, LaVista, and Papillion.

The Nebraska State Statutes ascribe certain powers to a “transit authority.” The primary charge given to an authority is “To acquire, lease, own, maintain, and operate for public service a public passenger transportation system, excluding taxicabs and railroad systems, within and without a city of the metropolitan class.”

The Statutes go on to assign a range of general powers to transit authorities allowing them to function as a independent public corporation. Transit authorities created under this Statute operate with the direction of a five member board, who has the authority to determine routes, service levels, and fares. The Authority is empowered to employ such staff as is needed to provide public transportation services to a defined service area. The Statutes allow the Authority to acquire capital stock needed in delivering such services and can borrow money and enter into agreements for grants and other public funding. The Authority may also levy – within certain Statutory limits – taxes to provide funds for the operation of the system.

Establishing a transit authority for the greater Lincoln area could offer a range of benefits to the delivery of local public transportation services:

- (1) provide greater assurance of a stable funding source allowing a higher level of predictability from year to year and thus facilitating service planning and delivery;
- (2) remove the operation from budgetary competition with other City “general revenue funded” services, thus freeing up municipal funds for other services;
- (3) allow for periodic bonding of capital needs as necessary;
- (4) establish an effective funding limit since the annual budget projections would be based on available Federal and State funds and assessed valuations; and,
- (5) afford contracting with other entities for the provision of services, most notably the rural areas of Lancaster County.

Key factors in completing this review of a possible transit authority for the greater Lincoln area include:

- ☐ State authorization needed to allow the City of Lincoln to create such an authority and the means for obtaining such authorization;
- ☐ Procedural steps required to establish an authority;

- ☐ Status of present StarTran employees during the transitional period and subsequently as the authority begins operation;
- ☐ Provision of support services needed by the authority, such as personnel, purchasing, legal, etc.
- ☐ Transfer of rolling stock, real property, and other assets;
- ☐ Jurisdictional relationships and the service delivery area.

Activity Time Line and Responsibility:

PHASES I & II

A “Transit Authority Review” should be completed within approximately two (2) years from the issuance of the Multi-Modal Transportation Study Final Report. Such a schedule should allow sufficient time to adequately review the conditions and circumstances under which a local transit authority could be created and to review the administrative desirability of this approach.

The study should involve elected officials, the StarTran Advisory Board, StarTran administrators, transit users, bus operators, UNL administrators, representatives from other local public transportation operations, and representatives from the community at-large.

The study should also involve staff from StarTran, Lincoln Public Works and Utilities Department, Lincoln Mayor’s Office, County Administration, City Finance Department, City Attorney’s Office, County Attorney’s Office, Human Services Department, City and County’s Legislative Lobbyists, and the City-County Planning Department.

The responsibility for completing the study should be assigned to a single entity as determined by the Mayor’s Office. The study should be undertaken using existing staff with outside assistance utilized only for specialized assistance as appropriate.

Should the study recommend establishing a local transit authority or similar management oversight mechanism, the creation of such a entity may take several years to undertake. If the study recommends – and the elected officials agree to pursue – the creation of a local transit authority then efforts should proceed immediately to put in place the recommendations of the study. It is assumed that such follow up to the study would occur within Phase I – or no later than early in Phase II – of the multi-modal transportation plan’s implementation time frame.

Activity Resource Needs:

No additional resources are anticipated to be needed at this time for completing this MMT Action item. The analysis can be undertaken using existing City staff. Should the managers of this study determine additional outside specialized assistance is necessary and/or desirable, applicable budget funds would need to be identified.

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